



CITY of NOVI CITY COUNCIL

**Agenda Item E
September 26, 2011**

SUBJECT: Approval to set a Public Hearing Date on October 24, 2011 for the 2012 Community Development Block Grant Program.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The proposed program year (PY) 2012 Community Development Block Grant (CDBG) planning allocation for the City of Novi is estimated to total \$85,918. At this time, Oakland County does not have information on exact CDBG funding levels and typically does not receive confirmation from the U.S. Department of Housing and Urban Development (HUD) until next May or June.

We have been notified by the Oakland County Community & Home Improvement Division that due to the 17% reduction in federal funding from PY 2010 and anticipated cuts of an additional 7.5% in the President's 2012 budget, CDBG programs offered through the County will be changing. The County had indicated these cuts will impact the level of housing counseling services currently offered through Oakland County. Novi has in place free housing counseling services available to Novi residents at risk of foreclosure through the Oakland County Community and Home Improvement Division. Their staff is specifically trained to assist with federal foreclosure assistance programs as well as provide counseling for home buyers. We will redirect residents who need foreclosure assistance to the Michigan State Housing Development Authority (MSHDA) which operates as a nonprofit housing corporation and was selected as one of five state Housing Finance Agencies (HFAs) to share in the Hardest-Hit Fund investment with an award of \$498.6 million in federal funds.

The timeline to submit the 2012 CDBG application to Oakland County is Wednesday, November 30, 2011. The Housing and Community Development Advisory Committee is scheduled to meet on October 4th to review requests received from outside service agencies and submit their recommendations to City Council for consideration.

RECOMMENDED ACTION: Approval to set a Public Hearing Date on October 24, 2011 for the 2012 Community Development Block Grant Program.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				